



OFFICE OF THE FIRST SELECTMAN

TESTIMONY
MICHAEL CRISS
FIRST SELECTMAN
TOWN OF HARWINTON
BEFORE THE LABOR COMMITTEE
FEBRUARY 24, 2015

I am here today to speak in favor of SB-113, SB-114, SB-180, SB-181, HB-5071, HB-5072, HB-5073, HB-5074, HB-5075, HB-5076, HB-5078, HB-5079, HB-5208, HB-5209, HB-5440, HB-5441, HB-5510, HB-5511, HB-5515, HB-5516, HB-5613, HB-6246, HB-6250, HB-6251, HB-6650, and HB-6666.

Adjusting the prevailing wage thresholds is long overdue because the prevailing wage mandate results in significantly higher costs for local projects that make moving forward with needed capital improvements difficult.

The Town of Harwinton has had three experiences with prevailing wage rates that underscores this concern. We received a bid on a project to build a new garage which came in at \$1.35 million. However, when the state Department of Labor determined that the project would be subject to prevailing wage rates, the bid was increased to \$1.65 million. We therefore incurred additional costs of \$300,000 – which is a lot of money for a small town.

In addition, we received a Small Town Economic Assistance Program (STEAP) grant in the amount of \$232,000 in order to install a water line to a school. However, the state Department of Labor determined that this was considered a renovation for purposes of the prevailing wage law rather than new construction. Therefore, since the cost of installing the water line was more than \$100,000, it was subject to the prevailing wage laws. We therefore had to pay an additional \$55,000 in wage costs to complete the project.

Finally, we received a couple of Small Town Economic Assistance Program (STEAP) grant in the amount of \$950,000 in order to build a new Emergency Management Center. However, the state Department of Labor determined that this was considered this qualified for prevailing wage law. Therefore, the Building would have cost us \$950,000.00 instead because the threshold is so low we were forced to pay \$1.3 million, costing taxpayers an extra \$350,000.

The prevailing wage thresholds have not been adjusted since 1991. Prior to 1991, legislators adjusted prevailing wage thresholds on a six-year schedule to reflect increases in the cost of construction to ensure that small projects were exempt from the law. Failure to adjust the threshold for prevailing wage projects has cost towns millions of dollars.

The prevailing wage mandate also hurts our small businesses, many of which are local, homegrown businesses. Many of these businesses donate time and resources to support school programs, athletics and other local projects. Some even donate labor and materials to assist in completing certain building projects. Unfortunately, these small contractors are shut out of

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competing for jobs for local construction projects because they can't afford the prevailing wage requirements. This hurts our economy and our residents, who are in need of jobs.

We therefore support bills that will bring the thresholds more in line with current construction costs. This represents a reasonable compromise that will benefit our taxpayers and local economies.